



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

March 7, 2011

BILL COMBS, TREASURER
21ST CENTURY DEMOCRATS
1731 CONNECTICUT AVE NW, 2ND FLOOR
WASHINGTON, DC 20009

Response Due Date

IDENTIFICATION NUMBER: C00230342

04/11/2011

REFERENCE: AMENDED JUNE MONTHLY REPORT (05/01/2010 - 05/31/2010), RECEIVED
09/20/2010

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 3 item(s):

1. The beginning cash balance of this report should equal the ending balance of your Amended May Monthly Report (4/1/10 - 4/30/10), received 9/20/10. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

2. Schedule A supporting Lines 15 and 17 of your report disclose payments from "AMGlobal Consulting" and "Carol Enters List Company Inc." It appears these receipts were for goods and/or services provided by your committee. Pursuant to Advisory Opinion 1979-18, the sale/purchase price paid to a political committee could involve the receipt of a contribution from a purchaser if the purchase price exceeds the "usual and normal charge". The term "usual and normal charge" for goods is defined as the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution. Examples of goods and services include equipment, supplies, personnel, advertising services, membership lists, and mailing lists. 11 CFR §100.52(d)(1) and (2)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided and explain the steps your committee took in determining the amount charged. If your committee provided the goods and/or services at more than the usual and normal charge, the difference between the two is considered to be an in-kind contribution received by your committee from a corporation and is prohibited subject to the

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limits set forth at 2 U.S.C. §441b(a)

3. Schedule D supporting Line 10 of your report discloses a debt(s) owed by your committee to "Borger Management, Inc." with a negative closing balance(s). You are advised that any debt(s) with a negative closing balance requires further clarification. A negative closing balance suggests that you have either made a mathematical error or overpaid the debt which would result in the vendor incurring a debt owed to your committee and should be reported on Schedule D supporting Line 9 of your report.

Further, a credit from a vendor should be reported as a negative entry in the "amount incurred this period" field of the original debt and not as a separate debt transaction. In addition, credits from vendors require clarifying information to ensure that your committee did not receive a prohibited inkind contribution per 11 CFR. § 100.52 (d)(1). Please amend your report to clarify the nature of this transaction(s).

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1394.

Sincerely,



Marlene Colucci
Senior Campaign Finance Analyst
Reports Analysis Division